

PROMISING PRACTICES IN HOME AND COMMUNITY-BASED SERVICES

South Carolina – Simplified Provider Agreement

Issue: Streamlined Provider Agreement for Non-Traditional Medicaid Providers

Summary

South Carolina developed a simplified provider agreement to make Medicaid enrollment easier for providers that normally do not provide Medicaid services. The state piloted the agreement in an Independence Plus Medicaid Home and Community-Based Services Waiver and in a Nursing Home Transition Grant. The six-item agreement contains only the minimum federal requirements for Medicaid providers and can allow Medicaid participants to receive services, equipment, and other goods from non-traditional providers.

Introduction

Many states have implemented two approaches that allow participants more flexibility in using home and community-based services. Self-directed service delivery methods enable participants to hire their own attendants and often allow participants to use money for equipment and technology. Community transition services pay for many up-front costs that people often incur when moving from an institution to the community.

Both a self-directed service delivery model and community transition services often involve the purchase of services or items supplied by businesses that typically are not Medicaid providers. For example, a microwave may greatly increase a participant's ability to prepare his or her own meals, but many retail stores that sell microwaves are not Medicaid providers. Also, supports for people transitioning from nursing homes or intermediate care facilities for people with mental retardation, such as security deposits and furniture, often involve landlords and stores that are not Medicaid providers.

South Carolina developed a simplified Medicaid provider agreement to enable waiver participants to receive equipment and supplies from businesses that are typically not Medicaid providers. The six-item agreement allows

The six-item agreement allows vendors to become Medicaid providers more easily.

vendors to become Medicaid providers more easily than through the use of typical state agreements that have additional requirements.

This report briefly describes South Carolina's simplified provider agreement and is based on interviews with state staff who designed and administer the programs that use the simplified agreement.

Background

South Carolina started using the simplified provider agreement with two pilot programs – a self-directed Medicaid HCBS Waiver (SC Choice, an Independence Plus Waiver) and a Nursing Home Transition Grant – because these programs allow great flexibility in the items and services participants can use. Both programs started serving participants in 2002 and initially served Spartanburg, Cherokee, and Union counties in northern South Carolina.

The SC Choice Waiver allows participants to employ their own direct care workers and purchase supplies and equipment with an individual budget. Participants determine their services through a person-centered planning process and receive training on skills that help them direct their services. South Carolina developed this waiver as part of its 2001 Real Choice Systems Change grant from the Centers for Medicare & Medicaid Services (CMS), and SC Choice was one of the first waivers approved under CMS's Independence Plus initiative.

South Carolina's Nursing Home Transition Grant assesses nursing home residents who want to return to community living and provides community transition services and other supports to facilitate people's moves to the community. The program was developed as part of a 2002 Systems Change grant from CMS.

Intervention

The simplified provider agreement is a one-page form that asks for the provider's name, address, and phone number. The form also states that the provider's signature indicates the provider agrees to six standard terms and conditions:

1. Agree to keep records of the service(s) or purchase(s) [for three (3) years].
2. Agree to provide only the service(s) or item(s) authorized on the check(s).
3. Agree to accept the check(s) as payment in full for the service(s) or item(s) purchased.
4. Agree no additional charges will be made or accepted from the individuals.
5. Agree to refund Acumen in full in cases of overpayment.
6. Agree to provide [South Carolina Department of Health and Human Services] SC DHHS or its designee information regarding the service(s) or purchase(s).

The provider also agrees to accept checks from Acumen, a subcontractor to the SC Choice Waiver's fiscal management services provider. Acumen also provides this service for the Nursing Facility Transition Grant even though transitioning individuals may choose to use another waiver.

The process for using the agreement begins the same way for both the SC Choice Waiver and the transition grant. First, the participant's plan of care or transition plan must indicate the need for an item or service that a non-traditional Medicaid provider can furnish. Second, the participant obtains a price quote from a vendor he or she chooses for the requested item or service. The price quote guarantees the price of an item for up to 30 days.

For the Nursing Home Transition Grant, the vendor first provides the item or service. State staff then submit a claim to Acumen to reimburse the vendor with grant funds.

For SC Choice, the price quote is subject to the authorization of the participant's support coordinator, called a care advisor. The care advisor discusses the simplified provider agreement with the provider. After the provider has signed the agreement, the care advisor authorizes the item or service. Acumen then issues a check to pay the provider based on the price quote. Acumen typically sends the check in 10 to 14 days. The provider then furnishes the item or service to the participant. The vendor may deliver an item or the participant may go to the provider to obtain it.

After the provider has endorsed and deposited the check, it is sent back to Acumen. Acumen uses the check number to track the participant, the items or services purchased, the amount paid, and the provider. The participant obtains a receipt when receiving the service or item, and gives the receipt to the care advisor. The care advisor compares Acumen's information to the participant's receipt to verify that the correct items or services were provided.

Implementation

State staff report some providers are hesitant to commit to the agreement. A common provider concern is the Medicaid requirement to keep records for at least three years.

State staff found that small local vendors are more likely to sign the agreement than large, nationally known stores. Larger stores are typically not permitted to sign any agreement without approval from a district or national office, which is a significant impediment. State staff sent letters to corporate offices to encourage them to accept the agreement. The letters explained how the agreement works and the provider's responsibilities. These letters did not lead to additional provider agreements, however.

Impact

Nine providers in the three pilot counties signed the simplified provider agreement during the two years pilot period. Seven SC Choice Waiver participants and nine Nursing Home Transition Grant participants have obtained items and services using the simplified agreement.

The agreement will become available statewide during 2005. The Nursing Facility Transition Grant became available statewide in January 2005 and SC Choice will finish expanding statewide by the end of 2005.

Contact Information

For more information about the simplified provider agreement, contact Deborah McPherson, SC Choice Manager –

Key Questions:

What are the advantages and disadvantages of using a provider agreement for providers who normally do not provide Medicaid services?

What other methods can states use to increase access to non-traditional vendors?

(803) 898-2707 or mcpherson@dhhs.state.sc.us – or Joi Martinez, Nursing Home Transition Grant Program Manager – (803) 898-3536 or martinez@dhhs.state.sc.us. Information about the South Carolina's long term supports for older people and people with physical disabilities is available at <http://www.dhhs.state.sc.us/InsideDHHS/Bureaus/BureauofLongTermCareServices>.

One of a series of reports by Medstat for the U.S. Centers for Medicare & Medicaid Services (CMS) highlighting promising practices in home and community-based services. The entire series is available online at CMS' Web site, <http://www.cms.hhs.gov/promisingpractices>. This report is intended to share information about different approaches to offering home and community-based services. This report is not an endorsement of any practice.